

October 13, 1993

DOCKET FILE 10 - ORIGINAL

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

HAND DELIVERED

Mr. Thomas Quaile
Tariff Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 518
Washington, D.C. 20554

William A. Blase, Jr.
Director
Federal Regulatory

Dear Mr. Quaile:

RE: CC Docket No. 93-129 -- 800 Database Tariff Investigation

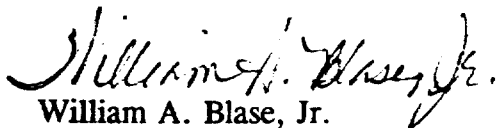
In response to your request for additional information, enclosed is one paper copy containing supplemental demand data for Appendix A of Southwestern Bell's Direct Case in CC Docket No. 93-129.

The demand data on page A-3 has been revised to include Line Information Data Base (LIDB) data. Specifically, the "State Other" line has been increased to include total intrastate LIDB queries in addition to intrastate intraLATA 800 Database queries. The breakdown between intrastate LIDB queries and intrastate intraLATA 800 Database queries is, respectively, 108,843,383 and 8,527,574. Also, the "Interstate Other" line has now been populated to reflect only interstate LIDB queries. These explanations have been added to Note 7 in the enclosed material.

While the demand data has been supplemented to include both LIDB and 800 Database queries, it is essential to note that the Switching Control Point (SCP) investment information contained at the bottom of page A-2 continues to reflect only 800 Database specific costs. Also, an additional explanation, Note 10, has been added to explain the method of assignment.

If you have any questions, please let me know.

Sincerely,


William A. Blase, Jr.

367 K Street, N.W.
Suite 1000
Washington, DC 20006

Enclosure

CC: Mr. William F. Caton, Acting Secretary

Phone 202 293-8560

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INFORMATION REQUEST FOR 800 DATABASE SERVICE EXOGENOUS COSTS

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

J. Unit Cost and Investment

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Land Acct 2111	Buildings Acct 2121	General Purpose Computers Acct 2124	Analog Switching Acct 2211	Digital Switching Acct 2212	Radio System Acct 2231	Circuit Equipment Acct 2232	Other Terminal Equipment Acct 2362	Poles Acct 2411	Aerial Cable Acct 2421	Underground Cable Acct 2422	Buried Cable Acct 2423	IntraBldg Network Cable Acct 2426	Aerial Wire Acct 2431	Conduit Systems Acct 2441	Total

STP/SCP Signalling Link

Unit Investment	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
-----------------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Unit Costs															
Depreciation															
Net Return															
Federal Income Tax															
State & Local Income Tax															
Maintenance															
Administration															
Other Tax															
Other Direct Expense															
Overhead Loadings															
Total															

Local STP/Regional STP Signalling Link

Unit Investment	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
-----------------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Unit Costs															
Depreciation															
Net Return															
Federal Income Tax															
State & Local Income Tax															
Maintenance															
Administration															
Other Tax															
Other Direct Expense															
Overhead Loadings															
Total															

SCP/SMS Signalling Link

Unit Investment	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
-----------------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Unit Costs															
Depreciation															
Net Return															
Federal Income Tax															
State & Local Income Tax															
Maintenance															
Administration															
Other Tax															
Other Direct Expense															
Overhead Loadings															
Total															

SCP

Unit Investment	NONE	NONE	NONE	NONE	0.00174500	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	0.001745
-----------------	------	------	------	------	------------	------	------	------	------	------	------	------	------	------	------	----------

Unit Costs (Note 1)																
Depreciation (Note 2)					0.00014050											0.00014485
Net Return (Note 2)					0.00011140											0.00011223
Federal Income Tax					0.00004822											0.00004822
State & Local Income Tax					0.00000333											0.00000333
Maintenance (Note 3)																0.00054703
Administration (Note 3)																0.00001995
Other Tax (Note 3)																0.00000831
Other Direct Expense (Note 3)																0.00002577
Overhead Loadings																
Total					0.000303442											0.00090949

Tandem Switch

Unit Investment	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
-----------------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Unit Costs																
Depreciation																
Net Return																
Federal Income Tax																
State & Local Income Tax																
Maintenance																
Administration																
Other Tax																
Other Direct Expense																
Overhead Loadings																
Total																

SSPUnit Costs (Note 1)SMS

Unit Costs	
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II. Jurisdictional Separations

Total Company	
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Method of Assignment

Total Company	
---------------	--

Method of Assignment

Total Investment	
Total Company	

Method of Assignment

SCP
Total Investment (Note 6)

Method of Assignment

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Land Acct 2111	Buildings Acct 2121	General Purpose Computers Acct 2124	Analog Switching Acct 2211	Digital Switching Acct 2212	Radio System Acct 2231	Circuit Equipment Acct 2232	Other Terminal Equipment Acct 2362	Poles Acct 2411	Aerial Cable Acct 2421	Underground Cable Acct 2422	Buried Cable Acct 2423	IntraBldg Network Cable Acct 2426	Aerial Wire Acct 2431	Conduit Systems Acct 2441	Total

Tandem Switch

Total Investment	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
Total Company															
Subject to Separation															
State 800 Database															
State Other															
Interstate 800 Database															
Interstate Other															

Method of Assignment															
----------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

SSP

Total Investment	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	
Total Company																5,515,279
Subject to Separation																5,515,279
State 800 Database																
State Other																
Interstate 800 Database																1,403,000
Interstate Other																

Method of Assignment																Note 10
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SMS

Total Investment	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	
Total Company																1,621,254
Subject to Separation																
State 800 Database																448,620
State Other																19,038
Interstate 800 Database																1,153,595
Interstate Other																

Method of Assignment																Direct
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A

III. Demand (Note 7)

Total

800 Database Queries

State 800 Database	405941879
State Other	117370957
Interstate 800 Database	1599233313
Interstate Other	210345424
Base Period Demand	1202864945
Estimated Demand	N/A
Time Period	1992
Discount Rate	N/A

SWBT Footnotes

Note 1: Southwestern Bell calculated its exogenous costs by determining the increase in investments and expenses due to 800 data base implementation. SWBT did not utilize overhead loadings. The increase in SCP (Category 2, Tandem Switching) investment and SCP and SSP expenses (COE Expense) were added to their appropriate separations category amounts. Part 36 rules were used to quantify the interstate revenue requirement impact, assuming an 11.25 percent rate-of-return. The Part 36 rules not only allocate the specific 800 costs, but also redistribute other expenses and investments that are directly or indirectly allocated based upon the separations categories associated with 800 data base implementation costs. The unit costs and investment amounts reflect the interstate cost impacts divided by the number of interstate 800 data base queries. The Table below shows the magnitude of the redistributed costs from the separations process:

	Unit Cost			
	SCP		SSP	
	\$	%	\$	%
800 Direct Costs*	0.00084382	92.8%	0.00110403	94.6%
Redistributed Costs	0.00006567	7.2%	0.00006318	5.4%
Total	0.00090949	100.0%	0.00116638	100.0%

* Depreciation, Net Return, Federal Income Tax, State and Local Tax, and Maintenance.

Note 2: Total "Depreciation" and "Net Return" includes .00000416 and .00000083, respectively, associated with General Support Facilities (GSF). This reflects the redistribution of GSF that occurs in the Separations process. Federal and State income tax amounts associated with the GSF amount is de minimus.

Note 3: The following Table reflects the separations/accounts categories reflected in the non-plant based unit costs:

Unit Costs	Separations Category
Maintenance	Central Office Expense (6210, 6220, 6230)
Administration	Network Support Expense (6110), General Support Expense (6120), Network Operations Expense (6530)
Other Tax	Operating Other Taxes (7200, Excl FIT and SIT)
Other Direct Expense	Corporate Operations Expense (6710, 6720)

Note 4: Total SSP "Depreciation" and "Net Return" reflects the redistribution of GSF that occurs in the separations process. Federal and state income tax and other tax amounts associated with the GSF amount is de minimus.

Note 5: The following Table reflects the separations category/amount reflected in the SSP unit costs:

Unit Costs	Separations Category
Maintenance	Central Office Expense (6210, 6220, 6230)
Administration	General Support Expense (6120)
Other Direct Expense	Corporate Operations Expense (6710, 6720)

Note 6: Reflects only the 800 database specific costs.

Note 7: State 800 Database = Intrastate InterLATA 800 Database Queries.
State Other = Intrastate IntraLATA 800 Database Queries and total Intrastate LIDB Queries.
Inter Other = SWBT did not offer Interstate Intralata 800 Service, therefore, the amount reflected here represents total Interstate LIDB Queries.
The Price Cap Demand Period was 1991, however, 1992 data was used to calculate the allocations between LIDB & 800. This was necessary as LIDB was not tariffed until 1992.

Note 8: SMS expense is booked to account 6724 - Information Management

Note 9: Totals in Column P represent the total of Column E plus
SCP expenses as follows:

Total Company:	\$2,673,636
Subject to Separations:	\$2,673,636
Interstate 800 Database:	\$657,000

Note 10: This equipment is categorized as Category 2-Tandem Switching equipment.
In accordance with Part 36, paragraph 124(b), when direct assignment is not possible, the costs shall be apportioned among the operations on the basis of relative number of study area minutes of use of this equipment. SWBT has interpreted this to mean tandem minutes of use.